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Kelly, Douglas & Company, Limited

1972 Annual Report





**Kelly,
Douglas &
Company,
Limited**

**1972
Annual
Report**

KELLY, DOUGLAS & COMPANY, LIMITED, ANNUAL REPORT 1972

OFFICERS

V. F. MacLean, President and Chief Executive Officer
J. Baird, Senior Vice-President, Wholesale-Retail Operations
J. L. Dampier, Vice-President, Nabob Foods Operations
C. M. Humphrys, C.A., Vice-President, Secretary-Treasurer
D. G. Gibbs, C.G.A., Controller

DIRECTORS

J. Baird
G. E. Creber, Q.C.
J. L. Dampier
F. Mildred Douglas*
J. L. Farris, Q.C.
C. M. Humphrys, C.A.
J. H. Kinne
V. F. MacLean
A. H. Pinkham, C.A.**

**J. T. Fraser, Alternate Director and member
of Policy and Administrative Committee*

***Deceased*

TRANSFER AGENTS

National Trust Company, Limited

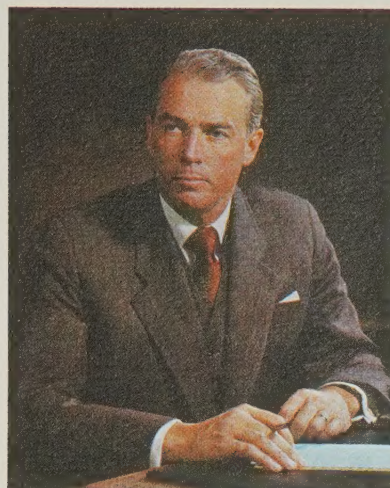
REGISTERED HEAD OFFICE

4700 Kingsway, Burnaby, B.C.

ANNUAL MEETING

11 am, P.D.T., May 15, 1973
Kelly, Douglas & Company,
Limited, Board Room,
4700 Kingsway, Burnaby, B.C.

REPORT OF THE PRESIDENT



Victor F. MacLean
President

1972 was a record year in sales and profits for Kelly, Douglas and its divisional operations. Total Company sales climbed to \$280 million, an increase of 12.3% over the previous year. The largest contribution to sales was made by our Wholesale and Retail division, followed by Nabob Foods Limited and by the Company's new operations: Foremost Foods, Meteor Meats and Isaacs Pharmacy. The achievement in sales increases exceeded budgeted expectations by \$12 million. Total Company profits, after taxes, rose 16.5% to \$2,895,214. The successes of this past year are a direct result of the enthusiasm and endeavours of our people in all the various divisions and shareholders should be justly proud of these efforts.

It is pertinent to comment on the constant bombardment against the food industry.

Several years ago, in Eastern Canada, there were more food stores than needed to serve the community effectively. With operating costs of these stores greater than productivity gains, a price war developed which lowered profits. As a result, the search was on for improved volume to compensate for reduced profits.

A period of extravagant promotion followed before the final realization that both the drop in profits and the substantial cost increases of operating had resulted in higher losses than originally imagined. At this stage, the cost of living in Canada was actually lowered by a drop in food prices and more than one politician claimed government credit for this achievement.

The food industry's return to normal profits in order to survive was naturally accompanied by a fairly dramatic increase in prices, to the consternation of consumers, who complained bitterly to both politicians and the media.

The response of the federal government, itself in confusion and disarray from its experience at the polls, was overwhelmingly in favour of the consumer and the ill effects of general inflation throughout the country were laid at the feet of the food industry.

Prices today are high, in food, as in almost everything. The consumer of course reacts largely from heresay and ignorance and is aggravated by the repetitive nature of the food buying pattern. It is a fact that today's consumer is better fed at lower cost, relative to earnings, than at any time in history. He or she shops in more pleasant surroundings with greater selection and more convenience than ever before. And each year, the amount of disposable income spent on food by Canadians is diminishing, so that today it is one of the lowest amounts per disposable income in the world.

Consumers today have more money and time for leisure, travel and many other activities, and some of the reasons for the higher cost of living are undoubtedly the cost of "living high".

With greater affluence and greater demands from an expanding population, supply sources of basic food products are under strong pressures. When you add the rising costs of services, wages and taxes, prices can do nothing else but continue to increase.

We are living in a period of history where the concern for social improvements and for the welfare of the less fortunate is a prime focus of government attention. Solutions for achieving acceptable levels in this area create enormous problems. As these conditions are met, higher taxes and greater inflationary pressures are bound to result.

The food business, and business generally, is at fault for not displaying enough bravery in defense of the profit system. We are villains of neglect. In an attempt to communicate with the public we initiated a program on behalf of our retail operation which explains our position. This campaign is enclosed in this report for your interest. When the profit motive fails, so will the cycle of earning power and when this is reduced in our communities, with the resultant higher level of unemployment, our entire standard of living will be in jeopardy.

We view 1973 with concern as it is generally felt that the level of new investment in the province of British Columbia will not be continued. People are apprehensive about the direction the new socialist government intends to travel.

The food industry in B.C., for example has a record of efficiency and excellence in servicing consumer needs. So we do not understand the philosophy of government subsidies to groups who have neither the facilities nor the capabilities to bring about more effective operations and lower prices for consumers.

We intend to expand in all areas of our Company, not only in related business development but into other areas of opportunity which present themselves and in which your Company may improve its depth in order to fortify against adverse competition, economic reversals or stagnation.

In this latter context we are particularly concerned with the conduct of our new provincial government and its obvious lack of understanding towards the business community. Some period of time will have to elapse before the effect of this government's attitude penetrates the people of this province. There then may be a period of new direction which will restore confidence and renew investment activity.

We take pride in the successes and achievements gained this past year. As we set our sights on expansion we are mindful that bigness has a connotation of excessive profits and special opportunity, that multi-national gives an untasty flavour to healthy growth. We are equally aware that the true direction of an expanding or multi-national company is towards economy, efficiency and protection against eroding profits.

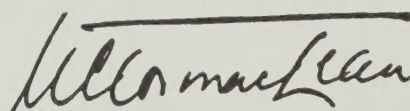
Profits in our business mean security for our employees, our shareholders and a healthy community.

Subsequent to year end results the company has entered into long-term financing arrangements with the successful underwriting of a twenty year \$12,000,000 debenture issue at the rate of 8-3/8%.

In closing this report, it is a pleasure to thank the Directors for the interest and support they have contributed on your behalf.

At this time, I must inform you of the resignation of our esteemed Director, John L. Farris, Q.C., who has been appointed Chief Justice of the Court of Appeal of British Columbia. The Company gratefully acknowledges his dedicated contribution to the Board.

Victor F. MacLean, *President*

A handwritten signature in dark ink, appearing to read "Victor F. MacLean". The signature is written in a cursive, flowing style with a horizontal line above the name.

NABOB FOODS

Sales reached a new highpoint in all provinces where Nabob products are sold. The year also saw an increase in private label sales to all our major customers.

The Sungold line of fruit crystals contributed substantially to the stepped-up volume of the Nabob division. New Sungold lemonade crystals were introduced in 1972.

Nabob Coffee improved in pound sales, dollar sales and profits, and continued to maintain 46% of the Western Canadian market. The coffee market generally has some uncertainty in it with the problems of rising costs, devaluation and the ineffectiveness of the International Coffee Agreement now in a standby position pending extension, termination or revision by October 1, 1973. Nabob Teas maintained their strong share of the markets of Western Canada.

Aggressive and successful consumer promotions expanded 1972 sales of our Coffee Team, Mincemeat, Lemon Cheese and Jelly Powders. Nabob jams and marmalades gained world-wide recognition again this year at the Brussels International Food Selection, winning four gold medals.

Squirrel Peanut Butter increased sales and improved its market share to 26% of the Canadian market.

DICKSON'S

This division which serves the restaurant trade gained in both sales and profits, with all branch operations from Victoria to Winnipeg showing improved results. Additional product lines, together with an increased share of new restaurant and hotel business, exceeded our expectations.

MONARCH AND CLOVERDALE PAINTS

These operations — Monarch in Alberta and Cloverdale in British Columbia — continue to show excellent progress and have won recognition for high quality, both in the paint industry and in the forest industry, for whom we supply stains and protective coatings. Because of an unavoidable delay in marketing our new acrylic product, our wax business suffered from the inroads of competitors. Cloverdale is now operating from new manufacturing premises and these are being expanded to co-ordinate activities and bring about further economies of operation.

WHOLESALE DIVISION

In this area, as in Retail operations, extreme competition characterized 1972 as the result of consumer and government pressure and resentment to uncontrollable price increases. Nevertheless, both our Wholesale and Retail efforts were rewarded with improved sales and market share, but profits remained at the previous year's level.

New wholesale facilities were opened at Prince George and Cranbrook. The Kamloops branch was enlarged by 40%. A new produce operation was installed in Prince Rupert and preparations are underway to enlarge our facilities in Trail. The Whitehorse branch far exceeded our projections and branch facilities there will be expanded in 1973.

RETAIL DIVISION

1972 saw the addition of new Super-Valu stores in Scottsdale Plaza, Guildford Town Centre, Surrey Place in Greater Vancouver and Orchard Park in Kelowna, all well-integrated shopping centres. Full potential sales are not reached in new facilities in 12 months and historically, the first year shows a loss pattern. Closures for remodelling also affect operating results adversely. Super-Valu has plans for 1973 which will move us into new stores in many different areas.

METEOR MEATS

A buoyant year was reported by this new operation. Block-ready beef sales continued to grow, with higher acceptance achieved by better control of quality and aging methods. The sausage operation was expanded and a pork cutting line introduced to contribute further to the success of the Meteor Meat Co.

FOREMOST FOODS

In a year of consolidation, volume and profits went beyond forecasts, as did consumer acceptance. A new line of yogurt and several new flavours of ice cream were introduced during the year.

Milk, of course, was in focus as the price advanced at retail. It is note-worthy that the B.C. Milk Board increased prices of Class 1 milk by 75¢ per CWT which forced retail increases and brought the producer price of Class 1 milk to \$8.27 per CWT, the highest price paid in North America.

Favourable results continue to be obtained at Foremost and as further retail outlets are opened, this division has a very satisfactory growth outlook.

ISAACS PHARMACY

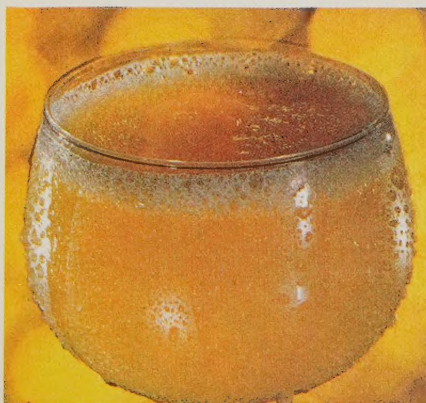
1972 signalled the first substantial gain in both volume and operating results for this division, following the highly competitive activity in the drug store business. New warehouse facilities will assist operating efficiency and we have plans in 1973 for several new stores in select areas of growth.

WESTERN COMMODITIES

This is your Company's importing and brokerage division. 1972 saw the first off-shore fresh produce imports from the Argentine and the People's Republic of China. The division has enjoyed steady improvement each year of operation and the past year was an excellent one, with rising sales of new consumer food products.

CATERING DIVISION

A slight decline in revenue for this division is attributed to a lower level of activity in construction owing to strikes, closures and terminations of several large projects. The number of men in camp fed by Calvin Canus was 1200 below our normal level. However, operating efficiency and the closing out of several unprofitable camps enabled the division to maintain a good profit level.



Attractive new packaging and an expanded line of flavours assisted Nabob Sungold crystals in significantly outpacing the growing crystal market in Western Canada in 1972.



Again in 1972, Nabob Jams and Marmalades and Squirrel Peanut Butter were gold medal winners for excellence of quality in the Brussels International Food Selection. New packaging as illustrated above was a contributing factor in achieving sales increases for these products.





One of several new Super-Valu stores opened in 1972 is the Surrey Place operation, illustrated in these photographs. Other stores of similar calibre were opened in Scottsdale Plaza, Guildford Town Centre and Orchard Park.



December 30, 1972	December 25, 1971
	\$ 1,635
\$11,437	10,291
31,198	25,920
<u>319</u>	<u>337</u>
42,954	38,183
3,932	3,649
38,027	34,493
<u>19,627</u>	<u>17,971</u>
18,400	16,522
<u>1,320</u>	<u>1,361</u>
19,720	17,883
1,242	1,132
108	104
<u>36</u>	<u>44</u>
1,386	1,280
<u>\$67,992</u>	<u>\$60,995</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

	December 30, 1972	December 25, 1971
Current:		
Bank indebtedness (note 5)	\$ 956	\$
Banker's acceptances (note 5)	8,000	8,000
Notes payable	2,900	1,500
Accounts payable and accrued charges	18,363	17,077
Income taxes payable	67	938
Current portion of long-term debt	<u>1,015</u>	<u>722</u>
Total current liabilities	31,301	28,237
Long-term debt (note 5)	7,336	6,532
Deferred income taxes	1,402	978
Minority interest in subsidiary companies	72	
Share capital (note 6):		
Authorized —		
20,000 4½% cumulative redeemable preference shares		
par value of \$100, redeemable at par		
2,000,000 cumulative participating Class "A" shares without par value		
3,000,000 Class "B" shares without par value		
Issued —		
1,050,107 Class "A" shares	2,645	2,645
1,576,992 Class "B" shares	<u>1,636</u>	<u>1,636</u>
	4,281	4,281
Retained earnings (note 7)	<u>23,600</u>	<u>20,967</u>
	<u>27,881</u>	<u>25,248</u>
	<u>\$67,992</u>	<u>\$60,995</u>

KELLY, DOUGLAS & COMPANY, LIMITED and subsidiary companies

CONSOLIDATED STATEMENT OF INCOME

for the fiscal year ended December 30, 1972

(in thousands)

	1972	1971
Sales.....	<u>\$279,917</u>	<u>\$249,194</u>
Income from operations before the following.....	<u>\$ 12,510</u>	<u>\$ 11,976</u>
Deduct:		
Depreciation (note 4)	2,647	2,421
Lease payments (note 8)	3,621	3,296
Interest — long-term debt.....	412	393
— other.....	638	653
Minority interest in profits (losses) of subsidiary companies — from operations.....	72	(7)
— from capital reorganization.....	<u>(275)</u>	
	<u>7,115</u>	<u>6,756</u>
Income before income taxes.....	5,395	5,220
Income taxes.....	<u>2,500</u>	<u>2,735</u>
Net income.....	<u>\$ 2,895</u>	<u>\$ 2,485</u>
Earnings per Class "A" and "B" share.....	\$1.10	\$.95

(See accompanying notes)

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

for the fiscal year ended December 30, 1972

(in thousands)

(in thousands)	1972	1971
Retained earnings beginning of fiscal year	\$20,967	\$19,778
Net income	<u>2,895</u>	<u>2,485</u>
	23,862	22,263
Dividends on Class "A" shares (note 6)	262	262
Retroactive adjustment to reflect write-off of excess of cost of shares of subsidiaries acquired to December 26, 1970 over the value of their net tangible assets at dates of acquisition	<u> </u>	<u>1,034</u>
	262	1,296
Retained earnings end of fiscal year (note 7)	<u>\$23,600</u>	<u>\$20,967</u>

(See accompanying notes)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 30, 1972

1. Account reclassification

Certain minor changes have been made in the 1971 comparative statements in order to conform the classification with that followed in 1972.

2. Inventories

Inventories consist of:

	1972	1971
Finished goods, valued at the lower of cost and net realizable value	\$25,061,000	\$22,071,000
Raw materials, valued at the lower of cost and replacement cost.	<u>6,137,000</u>	<u>3,849,000</u>
	<u>\$31,198,000</u>	<u>\$25,920,000</u>

3. Properties held for resale

It is the company's policy to assemble properties for future expansion. When the development of any location is completed, the property is normally sold under a lease-back arrangement.

4. Depreciation

Depreciation is provided on a straight-line basis over the estimated useful lives of assets at the following rates:

Buildings	2½% and 5%
Machinery and equipment	10% to 20%
Automotive	20%
Leasehold improvements	over life of lease

5. Long-term debt

Long-term debt consists of:

	1972	1971
6% sinking fund debentures, Series "A" maturing November 1, 1977; annual sinking fund instalment \$100,000	\$1,500,000	\$1,600,000
Demand note payable bearing interest at prime rate plus 1% with scheduled quarterly repayments of \$125,000	2,500,000	2,125,000
5½% demand notes payable, scheduled for repayment September 22, 1973 to August 14, 1974 (U.S. \$3,316,864) (banker's acceptances).	3,419,000	2,127,000
Notes, mortgages and other	<u>945,000</u>	<u>1,419,000</u>
	<u>8,364,000</u>	<u>7,271,000</u>
Less:		
Debentures purchased for sinking fund purposes	13,000	17,000
Instalments due within one year	<u>1,015,000</u>	<u>722,000</u>
	<u>1,028,000</u>	<u>739,000</u>
	<u>\$7,336,000</u>	<u>\$6,532,000</u>

Instalments on long-term debt due in each of the next five fiscal years are:

1973 — \$1,015,000	1976 — \$ 640,000
1974 — 3,641,000	1977 — 1,631,000
1975 — 661,000	

The greater part of consolidated accounts receivable and inventories is pledged as collateral security against bank indebtedness.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

6. Share capital

The Class "A" shares entitle the holders thereof to fixed, cumulative, preferential cash dividends of 25¢ per share per annum payable quarterly. Any further dividends on the Class "A" and Class "B" shares shall be paid firstly to the Class "B" shareholders to the extent of 25¢ per share per annum plus the amount (if any) by which 25¢ exceeds the dividends paid to the Class "B" shareholders in the preceding year, and thereafter in equal amounts per share to the Class "A" and Class "B" shareholders.

The Class "A" shares are non-voting except in the event of default in payment of six quarterly dividends.

The issued Class "B" shares as shown in the consolidated financial statements have been reduced by 41,133 shares held by a subsidiary and the paid up capital thereon by \$41,133 the cost of the shares to the subsidiary.

7. Retained earnings

	1972	1971
Appropriated as "capital surplus" on redemption of preference shares.	\$ 774,000	\$ 774,000
Unappropriated.	<u>22,826,000</u>	<u>20,193,000</u>
	<u>\$23,600,000</u>	<u>\$20,967,000</u>

8. Long-term leases

In addition to the buildings owned and occupied by the companies, manufacturing plants, distribution centres and retail stores are occupied under lease agreements, the majority on a long-term basis (in excess of five years). Also, long-term leases have been entered into on additional stores which are sub-leased to independent operators and other lessees.

As at December 30, 1972 the rentals under long-term lease agreements are payable as follows:

For the five years ending December 31, 1977.	\$16,107,000
For the five years ending December 31, 1982.	14,369,000
For the five years ending December 31, 1987.	12,803,000
For the five years ending December 31, 1992.	9,223,000
For the five years ending December 31, 1997.	<u>3,536,000</u>
	<u>\$56,038,000</u>

9. Directors' remuneration

During the fifty-three weeks ended December 30, 1972 aggregate remuneration of directors amounted to \$217,794 (1971 – \$210,000).

10. Commitments and contingent liabilities

Contractual commitments for capital additions amounted to \$421,000 and contingent liabilities consisted of guarantees in the amount of \$55,000 as at December 30, 1972.

11. Subsequent events

The company has entered into an agreement for sale to underwriters of \$12,000,000 principal amount of 8-3/8% Sinking Fund Debentures, 1973 Series due March 15, 1993.

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS
for the fiscal year ended December 30, 1972

(in thousands)

Source:

Operations —

	1972	1971
Net income	\$ 2,895	\$ 2,485
Charges (credits) not resulting in an outlay (receipt) of funds:		
Depreciation	2,647	2,421
Deferred income taxes	424	(16)
Gain on disposal of fixed assets	(257)	(59)
Gain on disposal of properties held for resale	(57)	(82)
Amortization of debenture discount	8	7
Minority interest in losses of subsidiary companies	(203)	(7)
	<u>5,457</u>	<u>4,749</u>
Proceeds from properties sold for leaseback	784	997
Proceeds from disposal of fixed assets	530	556
Proceeds from issue of long-term debt	3,793	2,387
Capital contributions attributable to minority interest	275	
	<u>10,839</u>	<u>8,689</u>

Application:

Purchase of properties held for resale	1,612	1,804
Purchase of fixed assets	4,150	4,014
Increase in other assets	119	308
Retirement of long-term debt	2,989	797
Purchase of minority shareholders' interest in subsidiary		23
Dividends on Class "A" shares	262	262
	<u>9,132</u>	<u>7,208</u>
Increase in working capital	1,707	1,481
Working capital beginning of fiscal year	9,946	8,465
Working capital end of fiscal year	<u>\$11,653</u>	<u>\$9,946</u>

(See accompanying notes)

AUDITORS' REPORT

To the Shareholders of
Kelly, Douglas & Company, Limited:

We have examined the consolidated balance sheet of Kelly, Douglas & Company, Limited and its subsidiary companies as at December 30, 1972 and the consolidated statements of income, retained earnings and source and application of funds for the fiscal year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at December 30, 1972 and the results of their operations and the source and application of their funds for the fiscal year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding fiscal year.

Vancouver, Canada,
February 20, 1973.

Clarkson, Gordon & Co.
Chartered Accountants

10 YEAR HISTORICAL SUMMARY

FINANCIAL RATIOS AND VALUES (thousands of dollars)

Fiscal Year	Current Ratio	Sales to Av. Inventory	A/C Receive. (Av.)—Days	Working Capital	Net Property & Equipment	Total Assets	Shareholders' Investment Total	\$ Per Share	Increase
1972 (full year)	1.34-1	9.8	15	\$11,653	\$19,720	\$70,625	\$27,881	\$10.61	10.4%
1971 * " "	1.34-1	9.7	15	9,946	17,883	62,105	25,248	9.61	4.9
1970 " "	1.29-1	9.3	15	8,465	16,509	59,403	24,059	9.16	6.5
1969 " "	1.41-1	9.7	14	9,420	15,572	53,833	22,584	8.60	6.3
1968 (39 weeks)	1.44-1	10.5	14	8,866	13,923	47,823	21,252	8.09	6.6
1968 (43 weeks)	1.40-1	10.8	14	7,339	11,949	41,175	19,946	7.59	7.8
1967 (full year)	1.31-1	11.2	14	6,537	11,750	39,598	18,501	7.04	9.3
1966 " "	1.47-1	11.2	14	6,964	10,319	35,187	16,930	6.44	6.6
1965 " "	1.67-1	10.0	13	7,441	8,296	28,848	14,729	6.04	7.6
1964 " "	1.71-1	10.6	12	7,276	7,786	27,423	13,674	5.61	6.6
*Effect of goodwill write off						(1,034)	(1,034)	(.39)	(4.3)

OPERATING (thousands of dollars)

Fiscal Year	Net Sales	Operating Income	*Rental Payments	Debenture Interest	Depreciation Provided	Income Taxes	Net Income	Shareholders' Cash Flow
1972 (full year)	\$279,917	\$11,759	\$3,621	\$ 96	\$2,647	\$2,500	\$2,895	\$5,457
1971 " "	249,194	11,036	3,296	99	2,421	2,735	2,485	4,749
1970 " "	227,783	8,716	2,771	102	2,107	1,998	1,738	4,128
1969 " "	211,660	7,656	2,445	111	2,003	1,503	1,594	3,260
1968 (39 weeks)	150,828	6,063	1,511	83	1,348	1,618	1,503	2,895
1968 (43 weeks)	153,965	5,790	1,577	97	1,433	1,325	1,358	2,704
1967 (full year)	173,522	7,202	1,767	126	1,605	1,871	1,833	3,749
1966 " "	154,424	6,148	1,552	130	1,288	1,630	1,548	3,161
1965 " "	130,418	5,205	1,392	138	1,061	1,348	1,266	2,414
1964 " "	119,281	4,624	1,308	145	1,013	1,085	1,073	2,128

*Including Stores Subleased to Independent Operators.

OPERATING RATIOS AND VALUES

Fiscal Year	Operating Margin	*Rent & Debenture Interest Coverage	Net Margin	Return on Average Equity	Earnings Per Share	Increase	Cash Flow Per Share	Dividends Per Class "A" Share
1972 (full year)	4.20%	3.16	1.03%	10.90%	\$1.10	15.8%	\$2.08	\$.25
1971 " "	4.43	3.25	1.00	10.07	.95	43.9	1.81	.25
1970 " "	3.82	3.03	.76	7.45	.66	8.2	1.58	.25
1969 " "	3.61	3.46	.75	7.27	.61	(19.7)	1.24	.25
1968 (39 weeks)	4.02	3.80	1.00	9.73	.57	**20.6	1.10	.19
1968 (43 weeks)	3.76	3.46	.88	8.54	.52	**(10.0)	1.03	.19
1967 (full year)	4.15	3.80	1.05	10.35	.70	18.6	1.43	.25
1966 " "	3.98	3.65	1.00	9.78	.59	13.5	1.20	.25
1965 " "	3.99	3.40	.97	8.91	.52	18.1	.99	.25
1964 " "	3.88	3.18	.90	8.10	.44	18.9	.87	.25

*Including Stores Subleased to Independent Operators.

**Annualized

V-Day Value — Class "A" Shares \$5.50

6% 1977 Debentures \$94.00

A. H. Pinkham

With great regret, we record the death of Mr. Arnold H. Pinkham, C.A., a Director of the Company since 1953.

Mr. Pinkham served for many years as Secretary-Treasurer and his advice and interest in the progress of the Company will long be remembered by those who had the privilege of working with him.

